

2008-2009

Lexington-Fayette Urban County Government

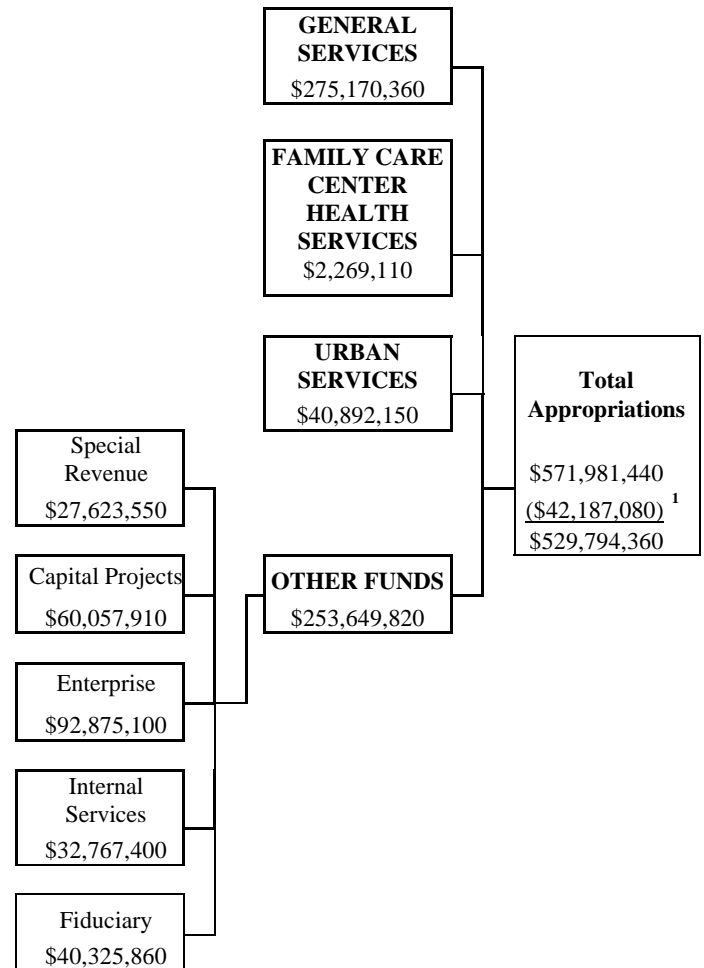
Budget In Brief



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Organization of the Total Budget by Fund



¹ Interfund transfers.

Introduction to the Budget

As shown on the prior page, the total budget for all funds combined, net of interfund transfers, is \$529,794,360. This is \$73,107,800 more than the FY 2008 adopted budget.

The finances of the government are segregated into funds in order to account for specific activities in accordance with special regulations or restrictions. The total budget is organized as follows:

- Fund 1101, the **General Services District Fund**, supports basic services such as police, fire, planning and zoning, parks and recreation, libraries, and other community services. This fund is financed primarily by employee withholdings/net profits license fees and property taxes.
- Fund 1102, the **Family Care Center Health Services Fund**, accounts for the financial operations of the Family Care Center Health Clinic. This fund was created to address the Medicaid reporting needs of the clinic.
- Fund 1115, the **Urban Services Districts Fund**, accounts for refuse collection, street lights, and street cleaning services provided by the government. These services are funded by an additional property tax paid only by the property owners in the respective service districts.
- **Special Revenue Funds** account for the proceeds of specific revenue sources that

are legally restricted for specified expenditures, such as *state and federal grants, Municipal Aid Program, County Road Aid Program, Spay and Neuter, Storm Water, Police Confiscated – Federal, Police Confiscated – State, and Public Safety* funds.

- **Capital Projects Funds** account for the receipt and disbursement of resources used in major capital and construction projects.
- **Enterprise Funds** are self-supporting through charges for services. LFUCG enterprise funds include *Water Quality, Landfill, Right of Way, Extended School Program, Enhanced 911, LexVan, and Public Corporations*.
- **Fiduciary Funds** account for assets held by the government in a trustee capacity. Included are the *Public Library Corporation Fund, the City Employees' Pension Fund, and the Policemen's and Firefighters' Retirement Fund*.
- **Internal Service Funds** account for the financing of services by one fund to another fund or funds of the government. Included here are the government's *self-insurance funds*.

Budget In Brief

FY 2009 Budget Highlights

The Lexington-Fayette Urban County Council voted to adopt the Mayor's Proposed Budget for fiscal year 2008-2009, as amended, on June 17, 2008. The approved expenditure budget for the General Services Fund is \$275,170,360, which includes late item changes made by the Council on June 17, 2008. The total budget for all funds combined, net of interfund transfers, is \$529,794,360.

A budget call meeting was held on January 17, 2008. The Mayor asked Commissioners and Directors to submit a continuation of basic services budget with careful consideration of any new or expanded positions and programs.

Changes to the Mayor's Proposed Budget

After the Mayor's Proposed Budget is presented, the Council is required to hold a public hearing on the contents of the proposed budget. The Council may amend the proposed annual operating budget submitted by the Mayor, except that the budget, as amended and adopted, shall provide for all expenditures required by law or by other provisions of the Charter, and for all debt service requirements for the next fiscal year. The following changes to the Mayor's Proposed Budget were made or accepted by the Council for the General Fund on June 17, 2008:

Late Item Changes

Changes to Available Fund Balance

Increase July 1 Estimated Fund Balance	\$1,424,060
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<i>Increase to Resources</i>	<i>\$1,424,060</i>
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Changes to Expenditures

Traffic Engineering - Kentucky traffic signal maintenance contract correction	\$175,000
Adult Services - Correct an error by removing	(101,150)

Lexington-Fayette Urban County Government

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funds for two vacant positions of Client Assessment Counselor	
Corrections - Increase Operating supplies	40,500
Council - Add a new account for Neighborhood Development tracking	-
DEEM/E-911 - Additional personnel recovery from MMRS grant	(10,070)
DEEM/E-911 - Grant match for Hazard Mitigation - Siren Project	6,690
DEEM/E-911 - Grant match for Hazard Mitigation - Weather Radios for Mobile Homes Project	5,980
DEEM/E-911 - Personnel recovery from Emergency Management Assistance grant	(55,270)
Environmental Policy - Correct an error by reallocating Environmental Policy to the Urban Services Fund	(38,380)
Environmental Quality - Correct an error by reallocating Environmental Quality to the Urban Services Fund	(48,170)
Family Services - Reduce 21st Century grant personnel recovery	21,510
Fire - Position reclassification	(1,560)
Facilities and Fleet - Increase professional services and reallocate management contract	40,000
Historic Preservation - Adjust grant match and recovery for the Survey and Planning Project grant	(1,900)
LexCall - Fill two vacant positions	13,840
Parks - Delete Summer Food Service Program grant personnel recovery	2,010
Planning - Adjust FHWA grant match and recovery	(4,330)
Revenue - Carpeting and painting	10,000
Revenue - EMS collections contract increase	13,500
Social Services - Correct an error by removing the credit for Truancy and Day Treatment programs	300,000
Social Services - Correct entry error for Senior Citizens Center grant match	60
Various - Increase the unemployment insurance rate to .00110 from .00099	16,000
<i>Increase in Expenditures</i>	<i>\$384,260</i>
<i>Net Increase to Budgeted Fund Balance</i>	<i>\$1,039,800</i>

Lexington-Fayette Urban County Government

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Council Changes

Changes to Expenditures

Accounting - Add Accountant Sr. and Administrative Specialist positions	\$86,530
Building Inspection - Defer/eliminate remodeling	(20,000)
Capital Asset Management - Defer creation	(69,570)
Citizens' Advocate - Restore budget at FY 2008 adopted budget level	178,500
Commerce Lexington - Restore American Airlines equipment funding	4,150
Commonwealth Attorney - Rent/lease increase	6,000
Community Development - Live Where You Work Program increase	8,580
Coroner's Office - Additional employee and benefits	47,060
Council - Copier lease, dues, operating supplies, and food	28,120
Council - Increase budget for appraisals	2,000
Council Clerk - Software maintenance	450
County Attorney - Insurance and state budget cut	69,140
County Clerk - Civil salary decrease	(1,710)
Environmental Quality - Remove remodeling	(30,000)
Family Services - Mulch for playground	14,950
Fire and Emergency Service - Equipment list	151,980
Facilities and Fleet - Gainesway Community Building security	35,000
Humane Society - Reduce contract	(55,000)
Internal Audit - Certification training and IT audit services	23,500
Mayor's Office - Performance measures and other professional services	(125,000)
Mayor's Office - Scholarship program	(500,000)
Office of Policy and Budget - Eliminate Advisor position funding	(136,670)
Parks - Add Therapeutic Recreation Supervisor	55,000
Parks - Therapeutic seasonal funds	9,000
PDR - Outsource farm monitoring	(68,180)
Planning - Add Strategic Planning Manager	64,500
Planning - Eliminate Staff Assistant	(36,400)
Planning - Remove planning initiatives	(289,430)
PVA - Contract increase	15,000

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REACH - Remove allocation	(4,000)
Revenue - Armored car, lock box, and EMS	13,440
Social Services - Eliminate Administrative Officer	(54,650)
Social Services - Add one Social Worker Sr.	56,200
Streets, Roads, and Forestry - Salt account increase	108,000
Streets, Roads, and Forestry - Tree issues	40,000
Traffic Engineering - Add Traffic Signal Tech.	30,000
Traffic Engineering - Neighborhood Traffic Management project	30,000
Various - Increase pay increase to 2.3%; add a structure change of 2.3%; change start date to July	1,083,040
Youth Services - Add two social workers	113,390
Youth Services - Restore Day Treatment program	219,470
Increase to Expenditures	\$1,102,390
Total Council and Late Item Changes Fund Balance Impact	\$(62,590)

Summary of General Services District Changes

	Mayor's Proposed	Adopted	Difference
Funds Available	\$273,833,710	\$275,257,770	\$1,424,060
Expenditures	273,683,710	275,170,360	1,486,650
Budgeted Fund Balance	\$150,000	\$87,410	\$(62,590)

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Changes to Other Funds

Various late item changes to other funds were approved by the Council on June 17, 2008. The impact to fund balance by fund is as follows:

Decreases

Full Urban Services District Fund	\$835,650
Water Quality R&O Fund	73,440
PFC - General Fund	39,000
Extended School Program Fund	3,350

Increases

Water Quality Construction Fund	(\$3,451,450)
Public Parking Corporation Fund	(520,750)

No Impact

County Road Aid
Capital Projects
Police and Fire Retirement

General Services District Fund

Budget In Brief**General Services District Fund**

The Charter creating the merged Lexington-Fayette Urban County Government (LFUCG) divided the county into geographical taxing districts—the General Services District and the Urban Services Districts. The **General Services District** covers the entire county and includes most of the basic services provided to residents (police, fire, parks, housing, etc.). FY 2009 appropriations in the General Services District Fund are \$275.1 million.

There are several ways in which one can look at how the LFUCG will spend its budget this year. In the following pages, the budget is explained by category of spending and by department, or service area.

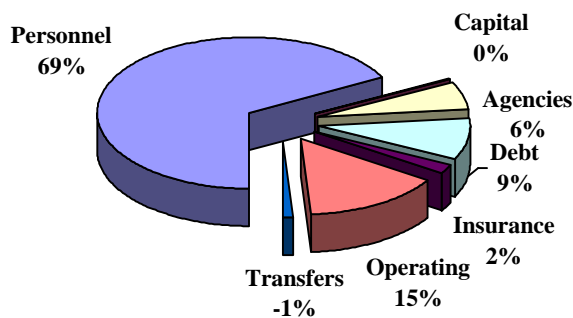
Budget In Brief**General Services District Fund
Summary of Revenue and Appropriations**

Category	FY 2008	FY 2009	Change
Revenue			
Ad Valorem Taxes	\$18,795,000	\$20,227,110	\$1,432,110
Licenses and Permits	224,319,970	226,205,950	1,885,980
Services	18,908,000	20,345,900	1,437,900
Fines and Forfeitures	82,000	67,800	(14,200)
Intergovernmental	875,000	782,200	(92,800)
Property Sales	420,000	3,600,000	3,180,000
Investments	2,023,000	737,000	(1,286,000)
Other Financing Sources	727,330	679,550	(47,780)
Other Income	1,116,200	1,188,200	72,000
Total Revenue	\$267,266,500	\$273,833,710	\$6,567,210
Fund Balance, July 1	13,500,000	1,424,060	(12,075,940)
Total Funds Available	\$280,766,500	\$275,257,770	\$(5,508,730)
Appropriations			
Operating Expenditures			
Personnel	\$188,465,820	\$189,220,100	\$754,280
Partner Agencies	16,487,650	16,885,110	397,460
Debt Service	23,898,980	25,977,520	2,078,540
Insurance	6,330,000	5,730,000	(600,000)
Operating	42,274,120	40,051,370	(2,222,750)
Transfers	2,499,250	(3,084,940)	(5,584,190)
Total Operating	\$279,955,820	\$274,779,160	\$(5,176,660)
Capital Expenditures			
CIP Capital	\$430,570	\$267,000	\$(163,570)
Operating Capital	148,830	124,200	(24,630)
Total Capital	\$579,400	\$391,200	\$(188,200)
Total Appropriations	\$280,535,220	\$275,170,360	\$(5,364,860)
Fund Balance, June 30	\$231,280	\$87,410	\$(143,870)

General Services District Fund Expenditures

There are several ways in which one can look at how the LFUCG will spend its budget this year. In the following pages, the budget is explained by category of spending and by department, or service area.

Expenditures by Category \$275,170,360



Personnel (\$189,220,100) accounts for 69 percent of the total General Services Fund budget. This category includes *wages, overtime, and fringe benefits*. The change in this category over last year is due mainly to:

- A pay increase of 2.3 percent in July 2008 for most non-sworn personnel.
- Continuation of the step pay systems for sworn personnel in Police, Fire, and Community Corrections, including other items negotiated by the bargaining groups.
- The creation of additional positions:
 - a. Circuit Judges – Social Worker Senior, Domestic Violence Program.
 - b. Accounting – Accountant Senior and Administrative Specialist.
 - c. Revenue - Accountant, Administrative Specialist, Administrative Specialist Senior, and Staff Assistant Senior.
 - d. Computer Services – Computer Analyst.
 - e. Traffic Engineering – Three Traffic Signal Technicians.
 - f. Facilities and Fleet Management – Director of Facilities and Fleet Management, Real Property Manager, Facilities Planner, Capital Projects Coordinator, Contract Manager, and five Skilled Trades Worker Seniors.
 - g. Parks and Recreation – Management Analyst.

Partner Agencies (\$16,885,110) are non-governmental programs such as the Library and various economic, legal, and social service organizations that receive full or partial funding from the LFUCG. (See pages 22-24 for a complete list of agencies.) The total amount of funding to agencies is increased by \$397,460 due mainly to the mandatory increase to the Library.

Budget In Brief

Debt Service (\$25,977,520) is for payment on long-term and short-term debt incurred to finance public projects².

Insurance (\$5,730,000) is the General Services Fund's payment to the government's self-insurance fund for claims related to workers' compensation, general liability, property, and automobile liability, and physical damage. Insurance funding is decreased by \$600,000 from FY 2008.

Operating (\$41,078,120) includes the day-to-day expenditures needed to run the various departments, such as office supplies, telephone, fuel, and utilities. Also included are professional services for medical, legal, engineering, etc. The decrease of \$1,196,000 reflects that the budget was returned to FY 2008 original budget in these accounts, and then most divisions took an additional 10 percent reduction.

Transfers To/From Other Funds (-\$3,084,940) represents the transfer of resources from one fund to another. FY 2009 transfers are \$5,584,190 different than FY 2008, as detailed on the following table:

² In addition to the Contract Debt program budget of \$25,043,880, the PDR program includes \$933,640 in debt payments for debt issued to purchase development rights, for a total debt service cost of \$25,977,520.

Budget In Brief

Transfers To or (From)	FY 2008	FY 2009	Difference
CEP - Insurance and Administrative	\$77,300	\$80,800	\$3,500
Computer Services	(52,600)	(52,440)	160
Economic Contingency	600,000	(4,463,000)	(5,063,000)
Enhanced 911	655,010	-	(655,010)
ERP - PeopleSoft	500,300	500,300	-
Fleet Services Recoveries	(1,041,830)	(1,000,000)	41,830
Indirect Cost	(175,170)	(175,170)	-
LexCall Recovery	(20,220)	31,250	51,470
P & F Pension	2,448,510	2,550,000	101,490
Park Impact Fees and Golf Improvements	667,600	501,600	(166,000)
Public Safety Fund Transfer	(290,000)	(550,000)	(260,000)
Storm Water	-	371,720	371,720
Streets, Roads, and Forestry	-	-	-
Salaries	(869,650)	(880,000)	(10,350)
Total Transfers	\$2,499,250	\$(3,084,940)	\$(5,584,190)

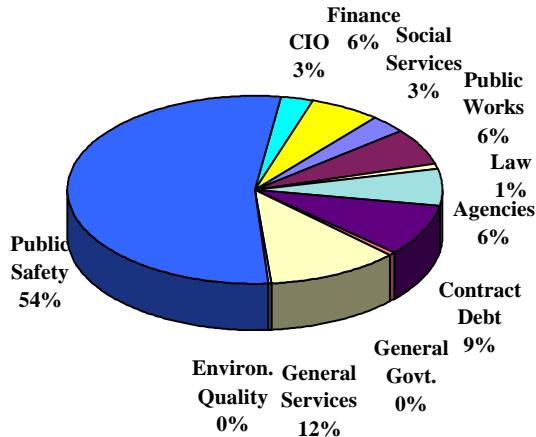
Capital (\$391,200) includes payments for capital improvement projects such as storm drainage and building repairs, and operating capital such as traffic control equipment, copier leases, and computer equipment.

Expenditures by Department or Service Area

Governmental departments are unique units with specific responsibilities, generally defined in the LFUCG Charter. The budget is explained along departmental lines in the following section.

Budget In Brief

Expenditures by Department \$275,170,360



Department	FY 2008	FY 2009	Change
Social Services	\$9,410,430	\$7,926,530	\$(1,283,820)
Public Works	20,464,560	17,845,090	(2,619,470)
Law	2,404,260	2,670,870	266,610
Agencies	16,487,650	16,885,110	397,460
Contract Debt	23,880,650	25,043,880	1,163,230
General Government	(5,155,820)	1,009,210	6,165,030
General Services	32,666,090	31,709,080	(957,010)
Environmental Quality	1,061,260	371,720	(689,540)
Public Safety	153,484,850	146,909,020	(6,575,830)
CIO	7,680,250	7,919,090	238,840
Finance	18,151,040	16,680,680	(1,470,360)
Total	\$280,535,220	\$275,170,360	\$(5,364,860)

Budget In Brief

Public Safety \$146,909,020 1,722.5 FTE

The largest department in the General Services Fund is Public Safety, accounting for 54 percent of the FY 2009 budget. Public Safety Administrator, Code Enforcement, Community Corrections, Emergency Management/E-911 (DEEM\Enhanced 911), Fire and Emergency Services, and Police are included in this department.

Budget By Division	FY 2008	FY 2009	Change
Public Safety Admin.	\$3,867,220	\$4,160,210	\$292,990
DEEM\Enhanced 911	5,214,370	3,790,220	(1,424,150)
Community Corrections	30,626,670	30,466,250	(160,420)
Police	57,419,880	54,518,250	(2,901,630)
Fire\Emergency	54,579,620	52,251,160	(2,328,460)
Code Enforcement	1,777,090	1,722,930	(54,160)
Total	\$153,484,850	\$146,909,020	\$(6,575,830)

Public Safety budgets include:

- Continued funding of the bargaining agreements for Police and Fire. The Police agreements cover Police Officers, Lieutenants, Sergeants, and Captains. The Fire agreements cover Firefighters, Lieutenants, Captains, and Majors.
- Funds for the second year of the Community Corrections bargaining agreements.
- A 2.3 percent pay increase for most non-bargaining employees effective in July 2008.
- Issue \$70 million in bonds for the Police and Fire pension fund and reduce the LFUCG contributions rate to 18 percent.

Budget In Brief

- Increase Animal Control Contract - \$186,640 in the General Fund. The cost of vehicles for additional officers is included in the bond fund at a value of \$84,300.
- Fill 13 Enhanced 911 vacancies for nine months - \$305,710.
- Reallocate GIS positions to Computer Services per Management Partners report.
- Fill 25 vacant Community Corrections Officers positions - \$1,040,360.
- Fill one Telecommunications Manager in Police for nine months - \$59,940.
- Transfer \$550,000 from the Public Safety Fund (a Special Revenue fund) to pay for eligible costs of the Division of Police.
- Transfer three positions from Fire to Facilities and Fleet Management.
- Fill two vacant Code Enforcement positions for nine months - \$74,150.

The decrease in the Enhanced 911 section reflects the elimination of a transfer to the Enhanced 911 Fund. Enhanced 911 fees will be increased by 79 cents, and a subsidy from the General Fund will not be needed for FY 2009.

Budget In Brief

General Services **\$31,709,080 383.3 FTE**

This is the second largest department comprising 12 percent of the FY 2009 General Fund budget.

Budget By Division	FY 2008	FY 2009	Change
Parks and Recreation	\$21,122,320	\$18,533,500	\$(2,588,820)
Facilities & Fleet Mgt.	9,011,850	10,975,420	1,963,570
Commissioner's Office	2,531,920	2,200,160	(331,760)
Total	\$32,666,090	\$31,709,080	\$(957,010)

Over \$18 million is budgeted for ***Parks and Recreation***, which is responsible for more than 4,200 acres of public parks, playgrounds, swimming pools, and public golf courses. The FY 2009 budget includes ongoing funds for maintenance (\$500,000) and beautification (\$50,000). In addition, the following changes were made:

- Fill Parks' vacant Deputy Director position for nine months - \$64,540.
- Create Management Analyst position in Parks for nine months - \$39,520.
- Fill Community School position in Parks for the year - \$54,890.
- Transfer Program Supervisor position from the Commissioner of General Services to Parks for Tubby's Clubhouse - \$81,220.
- Transfer 24 positions from Parks to Facilities and Fleet Management.
- Transfer five public information positions from Parks to Government Communications.

Budget In Brief

- Transfer support of the Arboretum to the Water Quality Fund (\$25,000).

Facilities and Fleet Management is a new division as recommended by Management Partners. The division includes the former divisions of Building Maintenance and Construction and Fleet Services. In addition, the division includes the following:

- Continued funding for facilities maintenance of \$500.00.
- Add five administrative positions recommended by Management Partners, including a director – \$269,920.
- The Parking Garages and Security programs are reassigned to this division from the Commissioner of General Services' office.
- Review fleet and sell surplus vehicles - (\$300,000).
- Fill the Parts Manager position for nine months - \$40,440.
- Fill the one vacant position and add five additional positions of Skilled Trades Worker Senior for nine months - \$253,290.
- Transfer 24 positions from Parks to the Facilities and Fleet Management division.
- Transfer three positions from Fire to Facilities and Fleet Management.
- Transfer two Administrative Officer positions from the Commissioner of General Services.

Budget In Brief

- Add \$100,000 to improve the Government Center's security measures.

The **Commissioner's Office** oversees the management of the government's mailroom, special events, and the utilities, parking, and rental facilities. The FY 2009 budget includes the following changes:

- Fill two vacant General Services Administrative Officer positions for nine months – \$105,510.
- Positions have been transferred based on the Management Partners report.
- Telephone management has been moved to the Computer Services Information Technology section.

Partner Agencies **\$16,885,110**

Partner agencies account for approximately six percent of all General Services District expenditures. Funding for partner agencies has increased by \$397,460. This is the result of decreases to many agencies, offset by a required increase to the Library.

New funding is provided for Big Brothers Big Sisters of the Bluegrass, Sunflower Kids, Inc, and SCORE.

The **Lexington Public Library** receives 78 percent of the total partner agency funding (\$13.1 million) due to a legal requirement that mandates the government to provide a funding level of 5 cents per \$100 assessed valuation of taxable property in Fayette County. The initial budget is based on estimates of 2008 (FY 2009) property value certifications.

Budget In Brief

Partner Agencies

Organization	FY 2008	FY 2009	Change
Big Brothers Big Sisters	\$-	\$10,290	\$10,290
Airport Board	50,000	-	(50,000)
Baby Health Service	16,000	18,000	2,000
Bluegrass Area Dev District	98,000	85,230	(12,770)
Bluegrass Community Action Agency	20,000	30,000	10,000
Bluegrass Domestic Violence	70,000	75,000	5,000
Bluegrass Technology Center	2,370	3,000	630
Carnegie Literacy Center	53,500	36,000	(17,500)
Chrysalis House	40,000	40,000	-
Cntr for Women Children & Families	35,100	50,000	14,900
Commerce Lexington	661,500	549,650	(111,850)
Community Action Council	170,000	180,000	10,000
Comprehensive Care Center	234,750	234,750	-
Downtown Arts Center	128,250	115,450	(12,800)
Downtown Development Authority	285,640	257,140	(28,500)
Downtown Lexington Corporation	60,000	54,000	(6,000)
EMMAUS	55,000	-	(55,000)
Environmental Commission	2,680	2,410	(270)
Explorium of Lexington	237,500	213,750	(23,750)
Family Counseling Service	32,500	-	(32,500)
Fayette County Legal Aid	108,540	-	(108,540)
Hope Center for Men	718,770	740,000	21,230
Human Rights Commission	193,710	190,000	(3,710)
Kentucky Humanities	25,000	-	(25,000)
Kentucky World Trade Center	115,000	115,000	-
Lexington Center Corporation	50,000	-	(50,000)
Lexington Heritage Classic, Inc.	10,000	-	(10,000)
Lexington Public Library	12,267,790	13,126,690	858,900
Mary Todd Lincoln House	10,000	-	(10,000)
Metro Group Homes	152,000	158,000	6,000
Moveable Feast Lexington, Inc.	40,000	40,000	-
Nursing Home Ombudsman Program	45,000	50,000	5,000
Operation Read	27,550	-	(27,550)
Rape Crisis Center	70,000	75,000	5,000
Reach, Inc.	4,000	-	(4,000)
Road to Homeownership, Inc.	37,500	33,750	(3,750)

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Partner Agencies (Continued)

Organization	FY 2008	FY 2009	Change
Salvation Army	160,000	200,000	40,000
SCORE	-	7,000	7,000
Sunflower Kids	-	25,000	25,000
Urban League	100,000	70,000	(30,000)
YMCA of Central Kentucky	100,000	100,000	-
Total Agencies	\$16,487,650	\$16,885,110	\$397,460

General Government

\$1,009,210 94.5 FTE

General Government programs include: Council Office, Office of the Mayor, Special Projects, Internal Audit, Office of the Senior Advisor, Office of Policy and Budget, Constitutional and Judicial Officers, and Contingency and Indirect Cost. These programs account for less than one percent of the General Fund budget.

Department/Division	FY 2008	FY 2009	Change
Council Office	\$2,303,670	\$2,411,660	\$107,990
Citizens' Advocate	178,500	179,380	880
Council Clerk's Office	729,440	767,330	37,890
Internal Audit Office	667,790	444,370	(223,420)
Mayor's Office	2,053,750	1,707,820	(345,930)
Special Projects	1,154,140	951,240	(202,900)
Senior Advisor	403,380	284,510	(118,870)
Policy and Budget	523,640	532,290	8,650
Contingency\Indirect Cost	(16,604,690)	(9,316,930)	7,287,760
Constitutional and Judicial	3,434,560	3,047,540	(387,020)
Total	\$(5,155,820)	\$1,009,210	\$6,165,030

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The **Council Office** budget for Council Neighborhood Development Funds (NDF) is \$150,000, which is the same as for FY 2008.

Partners for Youth is reallocated to Social Services from the Mayor's Office in accordance with the Management Partners report.

The **Special Projects** budgets are detailed below. Funding for most activities has been reduced.

The **Senior Advisor's Office** replaced the CAO's Office as part of a FY 2008 reorganization. This office includes the Office of Economic Development.

Contingency and Indirect Cost budgets include an estimation of personnel credit savings from potential retirements. Actual budgets are reallocated to the divisions where retirements occur throughout the year.

Special Projects/Special Events

Program	FY 2008	FY 2009	Change
Arts Program	\$500,000	\$450,000	\$(50,000)
Bluegrass State Games	22,500	22,500	-
Corridor Program	110,000	108,500	(1,500)
Lexington Area Sports Auth.	15,000	15,000	-
Martin Luther King Celebration	10,000	10,000	-
Neighborhood Match	60,000	70,000	10,000
Lex. Comm. On Race Relations	15,230	20,000	4,770
Roots & Heritage Festival	43,720	43,720	-
Sister Cities	44,000	44,000	-
Special Projects - Other	150,000	-	(150,000)
Special Events Administration	9,690	6,930	(2,760)
Uniformed Services Events	9,000	8,100	(900)
Community Tree Lighting	3,500	7,050	3,550
Kentucky Christmas Chorus	43,500	39,150	(4,350)

Lexington-Fayette Urban County Government

Budget In Brief

Downtown Improvements	65,000	58,390	(6,610)
Sweet 16 Hospitality	18,000	16,200	(1,800)
Diversity Festival	10,000	9,200	(800)
4th of July	25,000	22,500	(2,500)
Total	\$1,154,140	\$951,240	\$(202,900)

Finance and Administration

\$16,680,680 120.5 FTE

The **Finance and Administration Department** includes the budgets for Revenue, Accounting, Purchasing, Human Resources, Community Development, Finance Administration, and Risk Management, which is transferred from Law this year in accordance with the Management Partners report. Finance and Administration comprises about six percent of the General Fund budget.

Budget By Division	FY 2008	FY 2009	Change
Finance Administration	\$711,000	\$436,420	\$(274,580)
Accounting	794,020	1,296,100	502,080
Revenue	2,619,050	2,573,730	(45,320)
Purchasing	508,650	491,190	(17,460)
Community Development	917,330	990,350	73,020
Human Resources	3,355,430	2,743,100	(612,330)
Risk Management	9,245,560	8,149,790	(1,095,770)
Total	\$18,151,040	\$16,680,680	\$(1,470,360)

Chief Information Officer

\$7,919,090 83.2 FTE

Budget By Division	FY 2008	FY 2009	Change
CIO	\$1,300,300	\$1,049,990	\$(250,310)
Govt. Communications	1,863,950	1,678,490	(185,460)
Computer Services	4,516,000	5,190,610	674,610
Total	\$7,680,250	\$7,919,090	\$238,840

Lexington-Fayette Urban County Government

Budget In Brief

Law **\$2,670,870 26.9 FTE**

The **Department of Law** is organized into two sections – Corporate Council and Litigation. The Corporate Council section prepares all legal instruments for the government and provides advice to its employees and agencies. The Litigation section represents LFUCG in civil cases and lawsuits, prepares cases for trial, coordinates representation of cases handled by insurance companies, and handles inquiries concerning legal claims against the government. Law comprises one percent of the General Fund budget.

Budget By Division	FY 2008	FY 2009	Change
Law	\$2,404,260	\$2,670,870	\$266,610
Total	\$2,404,260	\$2,670,870	\$266,610

This budget contains the movement of five employees from the Division of Risk Management into Law. The rest of Risk Management moved to the Department of Finance and Administration.

Public Works and Development **\$17,845,090 221.0 FTE**

Public Works and Development is comprised of eight General Fund divisions that provide public services in the areas of Engineering, Traffic Engineering, Streets, Roads, and Forestry, Building Inspection, Historic Preservation, Planning, Purchase of Development Rights, and the Commissioner's Office.

Budget By Division	FY 2008	FY 2009	Change
Traffic Engineering	\$4,510,610	\$4,523,450	\$12,840
Streets, Roads, and Forestry	4,259,470	4,138,110	(121,360)

Lexington-Fayette Urban County Government

Budget In Brief

Engineering	3,871,380	2,474,870	(1,396,510)
Building Inspection	2,930,380	2,707,690	(222,690)
Historic Preservation	463,070	372,450	(90,620)
Planning	2,788,140	2,095,720	(692,420)
Purchase of Dev. Rights	1,237,880	1,128,060	(109,820)
Commissioner	403,630	404,740	1,110
Total	\$20,464,560	\$17,845,090	\$(2,619,470)

Planning includes continued funding for planning studies and projects of (\$250,000).

Engineering's budget includes funding for continuation of their current programs. Four GIS positions are transferred to Computer Services in accordance with the Management Partners report.

Funding for the Division of **Traffic Engineering** includes:

- The last \$98,550 payment to the State for traffic signal upgrades and other improvements.
- Three new positions for the Fiber Optics program for nine months - \$102,590.

The **Streets, Roads, and Forestry** budget includes over \$300,000 for roadway salt and a transfer of \$880,000 from the MAP Fund toward the cost of eligible employee costs. (See the MAP Fund section for resurfacing information.)

Lexington-Fayette Urban County Government

Budget In Brief

Environmental Quality

\$371,720 0.0 FTE

In addition to the divisions in the table below, this department includes the Division of Waste Management (formerly Solid Waste).

The Commissioner of Environmental Quality's office and the Division of Environmental Policy are transferred to the Urban Services Fund for FY 2009. Funds shown here represent a transfer to the new Storm Water fund.

Budget By Division	FY 2008	FY 2009	Change
Environmental Quality Administration	\$93,280	\$-	\$(93,280)
Environmental Policy	340,720	-	(340,720)
Water Quality	627,260	371,720	(255,540)
Total	\$1,061,260	\$371,720	\$(689,540)

Social Services

\$8,126,610 147.8 FTE

The Department of Social Services consists of the Divisions of Adult and Tenant Services, Family Services, and Youth Services as well as the Commissioner's Office. The Mayor's Training Center was abolished as of FY 2008. Social Services comprises three percent of the General Fund budget.

Budget By Division	FY 2008	FY 2009	Change
Family Services	\$3,368,570	\$3,365,900	\$(2,670)
Youth Services	3,194,790	2,293,620	(901,170)
Adult and Tenant Services	1,338,660	1,128,070	(210,590)
Commissioner	1,508,410	1,339,020	(169,390)
Total	\$9,410,430	\$8,126,610	\$(1,283,820)

Lexington-Fayette Urban County Government

Budget In Brief

Family Services provides childcare, education, health, and social services at the Family Care Center, as well as a program to assist families in becoming self-sufficient. See page 37 for the Health Services fund.

Youth Services provides social and counseling services for children and their families.

Adult and Tenant Services provides assistance in crisis situations to help individuals pay rent and utilities, and offers financial help with payment of landfill and sewer user fees, sewer assessments, and sidewalk repairs.

In addition to departmental administrative support, the **Commissioner's Office** includes domestic violence prevention, the Summer Teen Employment Program, the Elder Crafters Program, and immigrant and aging services. The Partners for Youth Program is transferred to the Commissioner's Office in accordance with the Management Partners report and funding is included to fill the Aging Services' Manager position for nine months (\$49,530), and fill the Cardinal Valley manager's position for nine months (\$40,470).

Lexington-Fayette Urban County Government

Budget In Brief

General Services District Fund Expenditures by Department

Departments/Divisions	FY 2009	FTE
Constitutional & Judicial Officers	\$3,047,540	21.0
Council Office	2,411,660	35.0
Citizens' Advocate	179,380	2.0
Council Clerk	767,330	7.5
Office of the Mayor	1,707,820	17.0
Special Projects	951,240	-
Contract Debt	25,043,880	-
Contingency/Indirect	(9,316,930)	-
Office of the CAO	-	-
Office of Policy and Budget	532,290	6.0
Office of Policy and Budget	-	-
Budgeting	532,290	6.0
Internal Audit	444,370	4.0
Office of the CIO	7,919,090	83.2
Office of the CIO	1,049,990	1.0
Government Communications	1,678,490	35.2
Computer Services	5,190,610	47.0
Office of the Senior Advisor	284,510	2.0
Office of the Senior Advisor	169,230	1.0
Office of Economic Development	115,280	1.0
Law	2,670,870	26.9
Finance and Administration	16,680,680	120.5
Commissioner's Office	436,420	3.0
Accounting	1,296,100	19.0
Revenue	2,573,730	37.0
Purchasing	491,190	7.0
Community Development	990,350	16.0
Human Resources	2,743,100	29.5
Risk Management	8,149,790	9.0

Lexington-Fayette Urban County Government

Budget In Brief

General Services District Fund Expenditures by Department

Departments/Divisions	FY 2009	FTE
Public Works and Development	\$17,845,090	221.0
Commissioner's Office	404,740	3.0
Engineering	2,474,870	32.0
Streets, Roads and Forestry	4,138,110	68.0
Traffic Engineering	4,523,450	41.0
Historic Preservation	372,450	5.0
Planning	2,095,720	30.0
Purchase of Development Rights	1,128,060	1.0
Building Inspection	2,707,690	41.0
Environmental Quality	371,720	-
Public Safety	146,909,020	1,722.5
Commissioner's Office/Pension	4,160,210	3.5
Emergency Management/E-911	3,790,220	87.5
Community Corrections	30,466,250	375.0
Police	54,518,250	687.5
Fire	52,251,160	545.0
Code Enforcement	1,722,930	24.0
Social Services	8,126,610	147.8
Commissioner's Office	1,339,020	17.0
Adult and Tenant Services	1,128,070	18.0
Family Services	3,365,900	74.6
Youth Services	2,293,620	38.2
General Services	31,709,080	383.3
Commissioner's Office	2,200,160	10.0
Facilities and Fleet Management	10,975,420	157.7
Parks and Recreation	18,533,500	215.6
Partner Agencies	16,885,110	-
Library	13,126,690	-
Other Agencies	3,758,420	-
Total General Services District	\$275,170,360	2,799.7

Lexington-Fayette Urban County Government

Budget In Brief

General Services District Revenue

General Services Fund revenues are estimated at \$273,833,710, or a 2.5 percent increase over FY 2008 revenues.

Category	FY 2008	FY 2009	Change
Ad Valorem Taxes	\$18,795,000	\$20,227,110	\$1,432,110
Licenses and Permits	224,319,970	226,205,950	1,885,980
Services	18,908,000	20,345,900	1,437,900
Fines and Forfeitures	82,000	67,800	(14,200) *
Intergovernmental	875,000	782,200	(92,800) *
Property Sales	420,000	3,600,000	3,180,000 *
Investments	2,023,000	737,000	(1,286,000) *
Other Financing Sources	727,330	679,550	(47,780) *
Other Income	1,116,200	1,188,200	72,000 *
Total Revenue	\$267,266,500	\$273,833,710	\$6,567,210
Estimated Fund Balance, July 1	13,500,000	1,424,060	(12,075,940)
Total Available Funds	\$280,766,500	\$275,257,770	\$(5,508,730)

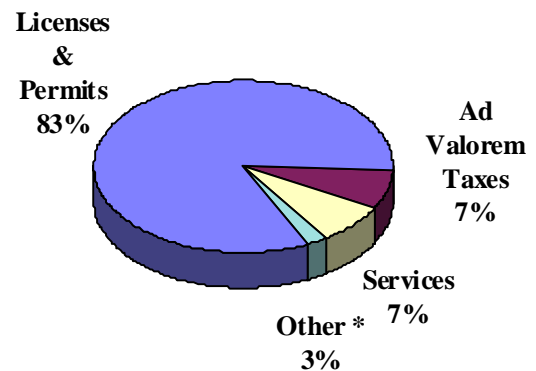
* Compiled as "Other" on chart on page 35.

Licenses and permits revenue is the largest single category of revenue in the General Services District Fund, accounting for 83 percent of all revenues. This category includes revenue from employee withholdings, franchise permits, insurance premium tax, and net profits license fee on businesses.

The second largest category of revenue in this fund (7 percent) comes from **ad valorem** (property) taxes. The LFUCG levies two categories of property taxes: (1) a county-wide tax (General Services District) for the support of the general operations of the government; and (2) an Urban Services Districts tax paid by residents receiving government services of refuse collection, street lights, and street cleaning (see page 39).

Budget In Brief

General Services District Revenue by Category \$273,833,710



The FY 2009 budget assumes maintaining the General Services property tax rate on real property at **8.0 cents per \$100 assessed value** (personal property rate 9.9; motor vehicle rate 8.8).

NOTE: The LFUCG is required by law to provide funding for the Lexington Public Library at a level based on 5 cents per \$100 assessed value of property subject to taxation in Fayette County. The FY 2009 appropriation to the Library is \$13,126,690. Total ad valorem revenues are forecast to be \$20,227,110. Property tax, therefore, only provides \$7.1 million to the general operations of the government.

Additional sources of revenue in the General Fund are **services** (golf course fees, EMS fees, etc.), **finances**, **detention**, **intergovernmental**, and **miscellaneous** revenues.

Beginning Fund Balance

Revenues for a budget year are estimated 18 months in advance of total collections; therefore, conservative estimates are essential. Current year projections are revised during the budget process when better information is available. This may result in the recognition of additional funds that are carried over to the following budget year as a *beginning fund balance*.

The estimated beginning fund balance for FY 2009 of \$1,424,060 reflects a projection of unspent personnel and operating funds.

Other Funds

Budget In Brief**Family Care Center Health Services Fund****\$2,269,110 16.9 FTE**

The revenue and expenditures of the Family Care Center's Health Clinic are accounted for here. This fund is specifically separated from the General Services Fund due to Medicaid reporting and accountability requirements. The annual financial statements, however, combine the two funds.

Category	FY 2008	FY 2009	Change
Revenue			
Intergovernmental	\$2,049,790	\$1,959,000	\$(90,790)
Other Income	27,000	41,000	14,000
Total Revenue	\$2,076,790	\$2,000,000	\$(76,790)
Fund Balance, July 1	88,490	269,110	180,620
Total Funds Available	\$2,165,280	\$2,269,110	\$103,830
Appropriations			
Operating Expenditures			
Personnel	\$869,390	\$914,290	\$44,900
Operating	1,250,890	1,354,820	103,930
Operating Capital	45,000	-	(45,000)
Total Appropriations	\$2,165,280	\$2,269,110	\$103,830
Fund Balance, June 30	\$-	\$-	\$-

Budget In Brief**Urban Services Districts Fund****\$40,892,150 268.9 FTE****Summary of Revenue and Appropriations**

Category	FY 2008	FY 2009	Change
Revenue			
Ad Valorem Taxes	\$31,291,000	\$33,527,400	\$2,236,400
Licenses and Permits	1,160,000	1,435,000	275,000
Services	6,000	6,000	-
Property Sales	120,000	30,000	(90,000)
Investments	1,333,000	322,000	(1,011,000)
Other Income	980,000	1,230,000	250,000
Total Revenue	\$34,890,000	\$36,550,400	\$1,660,400
Fund Balance, July 1	16,450,000	23,790,020	7,340,020
Total Funds Available	\$51,340,000	\$60,340,420	\$9,000,420
Appropriations			
Operating Expenditures			
Personnel	\$13,495,920	\$16,027,190	\$2,531,270
Debt Service	191,540	165,460	(26,080)
Insurance	1,361,760	1,682,900	321,140
Operating	14,201,950	15,859,490	1,657,540
Transfers	263,460	214,610	(48,850)
Total Operating	\$29,514,630	\$33,949,650	\$4,435,020
Capital Expenditures			
CIP Capital	\$1,010,000	\$3,480,000	\$2,470,000
Operating Capital	3,583,910	3,462,500	(121,410)
Total Capital	\$4,593,910	\$6,942,500	\$2,348,590
Total Appropriations	\$34,108,540	\$40,892,150	\$6,783,610
Reserves			
Fund Balance, June 30	\$17,231,460	\$19,448,270	\$2,216,810

Budget In Brief

Urban Services Districts Fund

In addition to the basic services provided to all residents of Fayette County, property owners in the urban services area have one or more of the following services available to them: *refuse collection, street lights, and street cleaning*. These services are funded by an additional ad valorem tax paid only by the property owners in the respective service districts.

Summary of Revenue and Appropriations By Service – FY 2009

Category	Refuse Collection	Street Lights	Street Cleaning
Revenue			
Ad Valorem Taxes	\$28,092,490	\$3,883,480	\$1,551,430
Other	2,731,900	207,970	83,130
Total Revenue	\$30,824,390	\$4,091,450	\$1,634,560
Fund Balance, July 1	18,347,530	3,909,830	1,532,660
Total Funds Available	\$49,171,920	\$8,001,280	\$3,167,220
Appropriations			
Direct Expenditures			
Personnel	\$12,691,530	\$-	\$824,200
Operating	7,471,090	3,901,000	315,250
Capital	6,612,500	300,000	-
Other Costs	7,748,230	638,200	390,150
Total Appropriations	\$34,523,350	\$4,839,200	\$1,529,600
Fund Balance, June 30	\$14,648,570	\$3,162,080	\$1,637,620

Budget In Brief

Urban Services Fund Expenditures By Department or Function

Department/Function	FY 2008	FY 2009	Difference
Insurance	\$1,361,760	\$1,682,900	\$321,140
Contract Debt	191,540	165,460	(26,080)
Indirect Cost/Contingency	1,963,300	4,231,960	2,268,660
Government Communications	468,320	574,040	105,720
Personnel Programs	14,000	14,000	-
Annual Audit/PeopleSoft	108,150	9,000	(99,150)
CIO\PeopleSoft	-	91,570	91,570
Public Works and Dev.	\$4,879,230	\$5,348,950	\$469,720
Administration	4,000	8,500	4,500
Street Cleaning	1,059,230	1,139,450	80,220
Street Lights	3,816,000	4,201,000	385,000
Environmental Quality	\$22,614,420	\$26,456,460	\$3,842,040
Administration	83,000	705,520	622,520
Environmental Policy	-	1,236,430	1,236,430
Refuse Collection	22,531,420	24,514,510	1,983,090
General Services	\$2,507,820	\$2,317,810	\$(190,010)
Facilities and Fleet Services	1,045,110	1,812,200	767,090
Vacuum Leaf Collection	1,462,710	505,610	(957,100)
Total Urban Services	\$34,108,540	\$40,892,150	\$6,783,610

The increase in *insurance* is due to an increase in the insurance allocation to the Urban Services Fund for FY 2009.

Contract debt provides debt payments for the sanitation building.

An *indirect cost* payment is made to the General Services Fund (\$3,710,960) for administrative costs not directly charged to this fund (such as accounting, budgeting, purchasing, payroll, etc.).

Budget In Brief

Contingency includes the budgets for termination pay (\$485,000 for unused sick and vacation hours) and the 27th pay period contingency (\$27,000). The FY 2008 budget included a credit for estimated vacancy credit. This is now reflected as a reduction in the personnel budget of the affected division.

Government Communications includes the budgets for LexCall and Government Communications. Program costs for LexCall are allocated among three funds based on actual calls received. Eighty two percent of the total cost is allocated to the Urban Services Fund. Public Information provides public education services for the refuse collection, street light, and street cleaning programs.

The \$14,000 budget for **personnel programs** provides for the alcohol and drug testing program, commercial driver license costs, and occupational wellness programs.

The **CIO/PeopleSoft** budget provides transfers to the PeopleSoft program and Computer Services for ongoing costs of the financial software system. These were budgeted in the Finance department (annual audit/PeopleSoft) in prior years.

Refuse collection is provided once each week to approximately 85,000 households. Business, institutional, and other non-residential waste is collected through the dumpster program. The recyclables of over 59,000 households are collected once each week. Yard waste containers and bags are provided for once per week collection to residents receiving LFUCG trash collection services. There are over 49,000 yard waste containers currently in use.

The Division of Parks and Recreation administers the **vacuum leaf collection** program. This service is provided only to those properties within the Urban Services Districts that have LFUCG refuse collection service.

Budget In Brief

Approximately 600 additional **street lights** are installed in Fayette County annually. This budget includes \$300,000 for installation of these additional street lights. The rental cost is budgeted in the Division of Traffic Engineering at \$3,900,000, a \$485,000 increase over FY 2008. The increase reflects the cost for additional street lights.

The Division of Streets, Roads, and Forestry provides **street cleaning** in the urban services area.

Urban Services Revenue Sources

Total resources available for FY 2009 expenditures in the Urban Services Fund include a projected beginning fund balance of \$23.8 million and revenues of \$36.55 million. The largest single category of revenue to the Urban Services Districts Fund is **ad valorem**, or property taxes. Property taxes account for 92 percent of the total revenues, and are estimated at \$33.5 million for the 2008 tax year (FY 2009).

Ad Valorem Taxes

Urban Services property taxes are determined by a separate rate established for each service available. The tax rates will be adopted in August of 2008 after preparation of this budget. The current rates per \$100 of assessed value on real property are:

NOTE: Revenue raised from Urban Services Districts' property taxes cannot be used to fund the general operations of the government.

Service	Current Rate
Refuse Collection	15.90 cents
Street Lights	02.10 cents
Street Cleaning	00.94 cents
Full Urban Rate	18.94 cents

Budget In Brief

The Urban Services property tax on realty is paid only by those residents receiving one or more of the government services of refuse collection, street lights, and street cleaning. The taxes levied are determined by a separate rate established for each service. If all of the services are available, the property is located in the *Full Urban Services District*. The property is located in a *Partial Urban Services District* if less than the full complement of services is available. During FY 2008 the refuse collection rate was reduced from 16.0 to 15.9 cents. The adopted budget for FY 2009 maintains this reduced taxing level.

Budget In Brief

Special Revenue Funds

Special Revenue funds account for the proceeds of specific revenue sources that are legally restricted for specified expenditures. The proposed budget includes seven special revenue funds. In addition, state and federal grants are also considered special revenue funds.

Police Confiscated – Federal **\$417,600**

Accounts for Fayette County's share of confiscated assets distributed based upon LFUCG's participation in federal cases.

Police Confiscated – State **\$135,000**

Accounts for Fayette County's share of confiscated assets distributed based upon LFUCG's participation in state cases.

Public Safety **\$550,000**

Kentucky House Bill 413 authorized the collection of a fee on each court case for the purposes of providing money for "public safety related items." This budget is the estimation of the accumulated money from this fee for FY 2009. The transfer is to the General Fund for use by police to purchase needed equipment for officers.

Budget In Brief

Spay and Neuter \$42,000

The Spay and Neuter Fund was established to account for revenues and expenditures per updated animal ordinances that require all Lexington-Fayette County dogs and cats to be licensed annually. Also, the fund accounts for grants that allow qualified no- or low-income Lexington-Fayette County residents to have access to pet spay and neuter services. Requiring that all dogs and cats in Lexington-Fayette County be licensed assures citizens that animals are properly vaccinated for rabies. It also provides incentives to spay and neuter in order to reduce the number of homeless, unwanted, and abandoned animals in the county.

Municipal Aid Fund (MAP) \$4,715,680

Fayette County receives a share of the state gasoline tax revenues (allocation is based on population). Use of these funds is restricted to certain expenditures related to the construction, reconstruction, or maintenance of urban streets and roads.

Budget In Brief

Summary of Revenue and Appropriations Municipal Aid Fund

Category	FY 2008	FY 2009	Change
Revenue			
Intergovernmental	\$4,061,000	\$4,782,600	\$721,600
Investments	316,000	85,000	(231,000)
Total Revenue	\$4,377,000	\$4,867,600	\$490,600
Fund Balance, July 1	-	1,825,580	1,825,580
Total Funds Available	\$4,377,000	\$6,693,180	\$2,316,180
Appropriations			
Operating Expenditures			
Personnel	\$21,540	\$19,180	\$(2,360)
Operating	5,300	6,500	1,200
Transfers	880,000	880,000	-
Total Operating	\$906,840	\$905,680	\$(1,160)
Capital Expenditures			
CIP Capital	\$3,470,160	\$3,810,000	\$339,840
Total Capital	\$3,470,160	\$3,810,000	\$339,840
Total Appropriations	\$4,377,000	\$4,715,680	\$338,680
Fund Balance, June 30	\$-	\$1,977,500	\$1,977,500

The FY 2009 budget includes a transfer of \$880,000 of MAP funds to the General Fund for eligible personnel costs in the Division of Streets, Roads, and Forestry, the same as for FY 2008.

MAP projects for FY 2009 include \$2,000,000 for resurfacing and \$1,780,000 for the following road projects.

Budget In Brief

Municipal Aid Program Summary of Projects

Project	Grant	Local Funds	State and Federal Grant Funds	Stage ³
Brighton East Trail, Phase 2	Yes	\$25,000	\$100,000	c
Capital Construction Project				
Testing		25,000		
Clays Mill Road,				
Harrodsburg to New Circle Road	Yes	30,000	120,000	c
Small Projects - Bike/Ped.		50,000		c
Polo Club Blvd.				
Connection to Todds Road		60,000		c
Sidewalk Ramp Program		60,000		c
Seventh St. - Reconstruct				
Winchester to Royal		80,000		c
Bridge Repair/Reconstruction		100,000		c
Clays Mill Road, Section 2A				
(Keithshire - Higbee Mill)	Yes	100,000	400,000	u
Clays Mill Road, Section 2B				
(Higbee Mill - Twain Ridge)	Yes	100,000	400,000	c
Richmond Road Trail	Yes	100,000	400,000	u, c
Rose Street Bike Lane	Yes	100,000	400,000	
Small Projects - Roadway		100,000		c
South Elkhorn Trail, Phase 2	Yes	100,000	400,000	
Intersection Pavement				
Reconstruction		250,000		
Clays Mill Road, Section 2C				
(New Circle to Keithshire)	Yes	500,000	2,000,000	
Total		\$1,780,000	\$4,220,000	

³ Key of project stages: d = design; r = right-of-way; u = utilities; c = construction; re = resident engineer.

Budget In Brief

County Road Aid Fund

\$670,660

Use of these state gasoline tax revenues is restricted to expenditures related to county roads. Projects may include resurfacing, crack sealing, culvert and bridge repairs, guardrail installation, and other road repairs (FY 2009 funding of \$670,660 is for resurfacing).

Storm Water

\$3,386,230 12.0 FTE

This is a new fund for FY 2009. It is a restricted special revenue fund established to account for the receipts from a storm water fee and the costs associated with storm water management.

Grant Funds

\$17,706,380

State and federal grant funds of over \$14 million are anticipated for FY 2009. The LFUCG will provide \$2.4 million in matching funds for these grants. The following table lists information on some of the major grants that have been awarded to date. A more extensive list will be included in the FY 2009 Annual Budget document. Additional grants will be budgeted throughout the year as they are awarded.

Budget In Brief

Grant Name	Federal and State Funds	Local and Other Funds	Total Grant
Training Incentive - Police	\$2,154,560	\$ -	\$2,154,560
Training Incentive - Fire	2,037,510	-	2,037,510
HOME/ADDI	1,371,130	595,320	1,966,450
South Elkhorn Force Main Project	1,146,000	-	1,146,000
Tates Creek Road Sidewalk Project and Transit Improvements	780,000	200,000	980,000
Meadow/Northland/Arlington - Public Imp.	820,000	-	820,000
Assistance to Firefighters	400,000	100,000	500,000
Housing Rehabilitation – Loans	250,000	250,000	500,000
Home Network	343,370	109,300	452,670
New Chance	328,040	120,570	448,610
Day Treatment	153,720	294,820	448,540
Fiber Optic Cable Installation	320,000	80,000	400,000
FHWA Transportation Planning	320,510	56,560	377,070
Metropolitan Medical Response	321,000	-	321,000
Housing Rehabilitation - Operations	300,000	-	300,000
Street Sales Enforcement	198,750	66,250	265,000
KY Office of Homeland Security	200,000	50,000	250,000
ITS/CMS Improvements	190,000	47,500	237,500
Senior Citizens Center	83,980	152,390	236,370
Child Care Food Program	62,000	165,820	227,820
Summer Food Service	129,800	65,600	195,400
Runaway Youth	173,460	17,340	190,800
Traffic Signal Upgrades	134,000	33,500	167,500
CDBG Administration	160,000	-	160,000
Healthy Tomorrows	50,000	108,690	158,690
National School Lunch	35,500	116,380	151,880
Florence Crittenton Home Rehab.	143,330	-	143,330
S.A.N.E.	110,800	26,340	137,140
Emergency Shelter	67,410	67,410	134,820
Other Grants	1,685,040	512,680	2,197,720
Total	\$14,469,910	\$3,236,470	\$17,706,380

Lexington-Fayette Urban County Government

Budget In Brief

Capital Projects Funds

Bond Projects **\$60,057,910**

General obligation bonds will be issued for the following capital projects and equipment totaling \$59,426,910. In addition, transfers from the General, Urban Services, and Sanitary Sewer Funds of \$631,000 will continue implementation of PeopleSoft.

Division	Item	Amount
<i>Purchase of Development Rights</i>		
	Prof Svc - Finance	\$66,280
	Land Acquisition - Real Estate	2,400,000
<i>CIO</i>		
	Prof Svc - Information Service	500,000
	Rent/Lease - Buildings	69,000
	Landline Phones	1,000
	Required Certification/Training	61,000
<i>Elections - County Court Clerk</i>		
	Buildings	500,000
<i>County Attorney</i>		
	Computer Equipment	55,630
	Desktops and Laptops	4,000
<i>Coroner</i>		
	Remodeling	30,000
<i>Mayor's Office</i>		
	Buildings	6,000,000
<i>Finance Administration</i>		
	Software	5,500,000
<i>Computer Services</i>		
	Software	25,000
	Desktops and Laptops	175,000
	Network Components	185,000
	Servers	250,000

Lexington-Fayette Urban County Government

Budget In Brief

Division	Item	Amount
<i>Public Works Administration</i>		
	Traffic Device	100,000
<i>Engineering</i>		
	Construction-Street	150,000
<i>Water Quality</i>		
	Construction-Storm Drainage	375,000
	Storm Water Programs	1,000,000
<i>Streets, Roads, and Forestry</i>		
	Construction-Sidewalk/Driveway	110,000
	Construction-Street	100,000
	Concrete Equipment	120,000
	Street-Paving/Resurfacing	3,000,000
	Truck, Boom	160,000
<i>Traffic Engineering</i>		
	Construction-Street	200,000
	Traffic Signal Equipment	230,000
<i>Public Safety Administration</i>		
	Telecommunications	\$9,920,000
	Construction-Building	20,900,000
	Van	84,300
<i>Emergency Management /E-911</i>		
	Software	71,000
<i>Fire</i>		
	Equipment	2,000,000
	Generators Stationary Repairs	48,000
	Maintenance Parking Lot	35,000
	Remodeling	20,000
	Roofing/Gutter/Downspout Maint.	45,000
<i>Adult and Tenant Services</i>		
	Street-Paving/Resurfacing	35,000
<i>Commissioner of General Services</i>		
	Telephone Systems	70,000
	Security Systems & Equipment	48,700

Lexington-Fayette Urban County Government

Budget In Brief

Division	Item	Amount
<i>Facilities and Fleet Management</i>		
	Equipment	633,500
	Automobiles Except Police	288,000
	Automobiles - Police	744,000
	Truck-Dump	320,000
	Truck-Light Duty	441,000
	Truck-Medium Duty	185,000
	Truck-SUV	342,000
	Van	225,500
	Bus	70,000
	HVAC Maintenance Services	130,000
<i>Parks and Recreation</i>		
	Construction-Hike/Bike Trails	1,000,000
	Construction-Park Area	490,000
	Construction-Tennis/Sport Court	410,000
	Remodeling	135,000
	Total	\$60,057,910

Enterprise Funds

Enterprise funds are those in which operations are supported primarily by charges for services.

Water Quality Operating and Construction Funds

\$69,810,600 160.5 FTE

The Water Quality Operating Fund accounts for the expenses associated with collecting, transporting, and treating all sanitary sewage in Fayette County and the Industrial Pre-treatment Program. The fund is supported primarily by sewer user fees. Sewer user fees based on water consumption were initiated in July 1982 to replace property tax funding of the sanitary sewer system, as mandated by the United States Environmental Protection Agency (EPA).

Lexington-Fayette Urban County Government

Budget In Brief

Since July 1, 1995, the Kentucky-American Water Company has billed and collected sewer user fees for the government.

The Water Quality Construction Fund accounts for sanitary sewer construction projects. Sanitary sewer user fees provide the funding for any non-bond funded sewer projects; the fees pay for the staff, maintenance, and operations of the two wastewater treatment plants and other facilities and services required to support the LFUCG sanitary sewer system, and pay for the debt service on bonds used to capitalize larger sanitary sewer construction projects.

During FY 2008, LFUCG negotiated a Consent Decree (CD) with the EPA in response to a lawsuit filed in November 2006 by the EPA and the Kentucky Environmental and Public Protection Cabinet for multiple violations of the Clean Water Act from the sanitary and storm sewer systems in Lexington.

The CD obligates LFUCG to address certain immediate violations; requires development of a system-wide sanitary sewer assessment to identify other problems—including a self-assessment of all the division's operations, staff, and equipment; and development of a work plan to eliminate those problems. EPA in the CD also requires LFUCG to assess sewer capacity and develop a capacity assurance program to ensure adequate capacity exists before new connections are made to the system.

The CD requires that work to fix the known problems begin immediately. EPA established deadlines during the next four years for requirements outlined in the CD. Failure to meet those deadlines could result in additional fines and in stipulated penalties. Fines included in the CD could have been much greater as they have been in other communities if LFUCG had not voluntarily agreed to undertake an assortment of projects which improve the quality of our local environment. These projects are described in the CD as Supplemental Environmental Projects (SEPs). To address known problems, a sewer user fee increase is needed to pay for required immediate

Lexington-Fayette Urban County Government

Budget In Brief

repairs. LFUCG's success in correcting existing problems will be monitored by the reduction of overflows at manholes and pump stations in accordance with the standards set forth in the CD. LFUCG will also be obligated to thoroughly investigate problems identified by required monitoring.

Obligations under the CD will continue for several years. LFUCG will have 11 to 13 years to complete the necessary improvements to the sanitary sewer system. The 11 to 13 year time frame includes the four years to complete the assessment of the entire sewer system and make immediate repairs. These investments in our community will improve our local environment and protect our streams and rivers.

Water Quality Fund revenues are restricted to current year operating and capital expenses. All funds remaining at year-end are placed into a restricted reserve for capital improvements.

Landfill

\$8,414,000 4.0 FTE

The Landfill Fund was established in 1995 to account for the revenues and expenses associated with the capping and closure of the landfills in Fayette County and the on-going costs of refuse disposal. State and federal regulations have mandated significant changes in the requirements for designing, constructing, operating, managing, maintaining, and closing landfills. The revised requirements have imposed extraordinary expenses on the government. A solid waste disposal fee was established to fund the increased cost of capping and closing the government's landfill and for the expense of a solid waste disposal contract. FY 2009 total Landfill Fund revenues are projected at approximately \$8.2 million.

Lexington-Fayette Urban County Government

Budget In Brief

The landfill closure reserve consists of the fund balance as of June 30, 1997, and is increased annually based on excess revenues over expenses. The reserve was \$20.1 million at the end of FY 2007, and can only be used to pay the costs of landfill closure or extraordinary operating expenses that exceed available revenues.

Right of Way Program **\$358,890 5.0 FTE**

The Right of Way Program Fund was established in FY 2004 to account for the revenues and expenses associated with the adoption of the Right of Way ordinance.

Fees are projected to provide approximately \$352,000 in FY 2009 for the operation of the program.

Extended School Program **\$2,862,430 55.8 FTE**

The Extended School Program Fund was created in FY 1994 to account for the revenues and expenses of an after-school program administered by the Division of Parks and Recreation in various Fayette County Public Schools.

Fees are projected to provide approximately \$2,700,000 in FY 2009 for the operation of the program.

Participating schools include: Stonewall Elementary, Deep Springs Elementary, Dixie Elementary, Meadowthorpe Elementary, Julia R. Ewan Elementary, Yates Elementary, Athens Chilesburg Elementary, Jessie Clark Middle, Northern Elementary, Linlee Elementary, Veterans Park Elementary, Edythe J. Hayes Middle, Breckinridge Elementary, Crawford Middle, Booker T. Washington Elementary, and Maxwell Elementary.

Budget In Brief

Enhanced 911 **\$3,018,780 5.0 FTE**

On January 1, 1996, a monthly fee of 95 cents per phone line was applied to Fayette County residents' phone bills in order to provide funding for an ***Enhanced 911 (E-911) system***. The fee was increased for the first time during FY 2005 to \$1.31. The FY 2009 budget includes a 79 cent rate increase in order to make the fund self-sufficient.

This system saves time and communicates information even when a caller cannot – by providing a resident's name, telephone number, and address. A major improvement to the system was the linking of ***E-911*** to the GIS system. When an ***E-911*** call is received, the calltaker automatically sees a map pinpointing the location of the caller.

This fund pays for 34 percent of the personnel costs for 911 emergency call takers and dispatchers (the balance of the personnel cost is paid by the General Services District Fund). Total fund resources are \$3,425,300, with \$3,400,000 projected to come from ***E-911*** fees and \$25,300 from interest income.

LexVan Program **\$65,000**

The LexVan Program Fund was established to account for revenues and expenses of the Lexington Bluegrass Mobility Office. This office manages a commuter vanpool program that aims to reduce air pollution, traffic congestion, and gasoline consumption. Vans are leased to groups of people who vanpool to work. All operating costs, fuel, and insurance is funded by the monthly fare paid by riders.

Public Corporations**\$8,345,400**

Due to prior state constitutional restrictions, the government did not issue general obligation bonds until FY 2000. Instead, mortgage revenue bonds were issued through various public corporations in order to finance public projects. "Lease payments" from the General Services District and Urban Services Districts Funds are combined with revenues generated by the operation of the projects in order to make debt service payments on these prior bond issues.

The ***Public Facilities Corporation*** (\$6,600,970) financed various projects through bank and mortgage notes and the issuance of revenue bonds. Projects included government buildings, parks, swimming pools, fire stations, and other public buildings.

The ***Public Parking Corporation*** (\$1,344,430) issued bonds to finance the construction of a downtown transit center, parking garage, and the Martin Luther King Boulevard construction project, and for the construction of the Victorian Square parking structure. Obligations are paid from operations of the public parking facilities and from General Fund appropriations.

The ***Parks Projects Fund*** (\$400,000) accounts for the use of dedicated fees for acquisition of park land and golf course improvements.

A dedicated building permit fee was passed in 1983, and in 1995 the ordinance imposing this fee was clarified to restrict its use to park land acquisition. For FY 2009 this revenue source is estimated to provide \$400,000 for this purpose.

Dedicated revenues from golf fees are estimated at \$101,600 for FY 2009. These revenues are restricted to golf course improvements.

Fiduciary Funds

Fiduciary funds account for assets held by a governmental unit in a trustee capacity. The LFUCG operates three fiduciary funds.

City Employees' Pension**\$1,997,920**

The City Employees' Pension Fund (CEPF) was the retirement system of the city of Lexington covering civil service employees prior to merger with Fayette County. The plan was organized in 1939 and closed to new members in 1973.

Members of the CEPF completed the process for transferring to the County Employees Retirement System in November 1992. The fund is administered by a self-governing board of trustees and funded by government and employee contributions of 17.5 percent and 8.5 percent of salary, respectively. Only one current employee remains with the CEPF.

The FY 2009 budget includes the cost for 100 percent of the premium for single health care coverage for eligible retirees (\$80,800). The government also pays certain other administrative costs.

Budget In Brief

Police and Fire Retirement

\$38,038,380 1.0 FTE

The Policemen's and Firefighters' Retirement Fund is a defined benefit pension plan covering all sworn personnel of the Urban County Government's police and fire divisions. The fund is administered by a self-governing board of trustees and funded by government and employee contributions. The actuarially recommended government contribution rate for the fund is 18 percent of salary. Over the past five years this rate has been steadily increasing in order to decrease the unfunded liability of the pension system. In FY 2008, the rate increased from 25 to 26 percent of salary in July and from 26 to 27 percent of salary in January, while the employee contribution remained at 11 percent.

The FY 2009 budget includes a recommendation to issue \$70 million in bonds to further address the unfunded liability of the pension system. These bonds will be paid for by the General Fund. The government's contribution rate will be reduced to the recommended 18 percent, and the difference between the current 27 percent and the actuarially approved 18 percent will be retained in the General Fund to offset the debt payment.

The FY 2009 budget includes the cost for 100 percent of the premium for single health care coverage for eligible retirees (\$2,550,000). The government also pays certain other administrative costs.

Budget In Brief

Public Library Corporation

\$289,560

The Public Library Corporation was formed in 1985 to manage funds provided to the Lexington Public Library from the government as a result of an increased assessment (the government is required by law to provide a funding level of 5 cents per \$100 assessed valuation of taxable property). The Library Corporation's long-range financial plan includes retirement of bonds issued to finance construction of the Central Library, expansion of library materials, and construction of additional branches.

The FY 2009 budget provides for payment on the bonds issued to finance the construction of a replacement of the Tates Creek Library branch.

Internal Service Funds

Internal Service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the government on a cost reimbursement basis. The LFUCG operates two internal service funds.

Medical Insurance

\$23,980,820

The government offers health insurance options to LFUCG employees under self-insurance plans administered by various third parties. The FY 2009 budget of \$24 million is funded through premiums paid by the government for all full-time employees; premiums paid by employees with family coverage; and premiums paid by certain non-employee groups that are allowed to participate in this plan. This includes City Employees' Pension Fund retirees, Policemen's and

Budget In Brief

Firefighters' Retirement Fund retirees, and employees of other affiliated agencies.

The Human Resources budget in the General Fund includes funding for a position that is responsible for coordinating and designing LFUCG health care plans, managing major medical claims, providing information for the prevention and control of healthcare costs, and managing all wellness issues.

Property & Casualty Claims Fund **\$8,786,580**

The government's Division of Risk Management administers the workers' compensation, property and casualty, and general liability insurance programs. The government reduces financial risks by purchasing reinsurance when feasible. Administration of these programs is combined with a risk management program designed to identify potential exposures to loss and reduce or eliminate risk and losses. The FY 2009 budget of \$8.8 million is funded through premiums paid from the General Services Fund, Urban Services Fund, and Water Quality Fund.

Budget In Brief

FY 2008 - 2009 Budget Formulation Calendar

December	January	February
<ul style="list-style-type: none"> Budget Forms Prepared Budget Guidelines Developed for the Next Fiscal Year Forms Distributed to Partner Agencies 	<ul style="list-style-type: none"> Forms Distributed to Departments Revenue Estimates Gathered Partner Agencies and Departments Submit Budget Requests 	<ul style="list-style-type: none"> Budgeting Reviews all Budget Submissions Budgeting Prepared Revenue Estimates Mayor's Team Review of Requests Began
March	April	May
<ul style="list-style-type: none"> Mayor's Team and Commissioners Review of Request s Completed and Finalized Recommendations 	<ul style="list-style-type: none"> Proposed Budget Finalized Mayor's Budget Address Council Budget Hearings Began 	<ul style="list-style-type: none"> Public Hearings Held Council Budget Hearings Continued
June	July	
<ul style="list-style-type: none"> Council Budget Hearings Ended Budget Ratification 1st and 2nd Readings of Budget Ordinance 	<ul style="list-style-type: none"> Start of the New Fiscal Year New Budget Implemented 	

Budget In Brief

Profile of Lexington-Fayette County "Horse Capital of the World"

Location

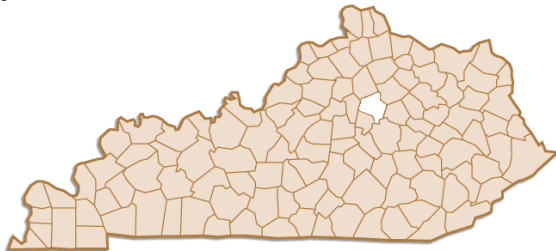
Lexington, located in the heart of central Kentucky's Bluegrass Region, is the state's second largest metropolitan area. The urbanized central city is surrounded by its scenic countryside of world-famous horse farms. Its central location and excellent transportation system have been major factors in the city's growth and development. Lexington's location at the intersection of two major interstate highways (Interstates 64 and 75) places it within a day's drive of 75 percent of the population of the United States.

KENTUCKY



FAYETTE COUNTY

Square Miles 285.5
Average Temperature 54.9°F



Lexington-Fayette Urban County Government

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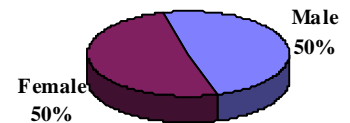
Budget In Brief

Population

Population Lexington-Fayette County			
Year	Population	Change	% Change
1970	174,323		
1980	204,165	29,842	17.1%
1990	225,366	21,201	10.4%
2000	260,512	35,146	15.6%
2007 Estimate	279,044	18,532	7.1%

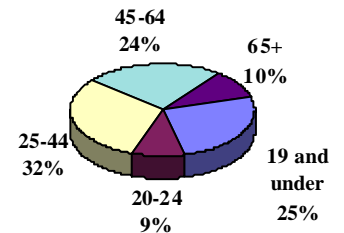
Population by Sex 2007 Estimate	
Male	138,231
Female	140,813
Total	279,044

Population By Sex



Population By Age

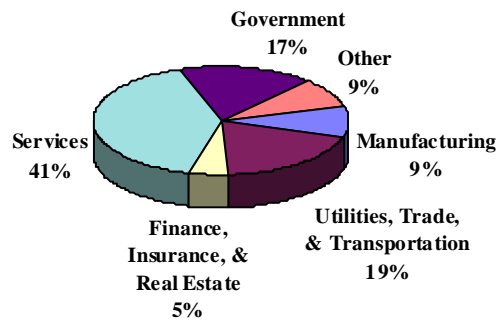
Population by Age 2007 Estimate	
19 and under	70,269
20-24	26,105
25-44	85,387
45-64	68,048
65+	29,235
Total	279,044



Lexington-Fayette Urban County Government

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Employment by Industry



Average Annual Employment by Industry Lexington-Fayette County – 2007	
All Industries	171,829
Manufacturing	15,193
Utilities, Trade, and Transportation	33,265
Finance, Insurance, and Real Estate	8,889
Services	69,514
Government	29,912
Other	15,056

Source: Kentucky Workforce Development Cabinet, "Average Monthly Employment Covered by Kentucky Unemployment Insurance Law by Industrial Division and by County".

The **service and trade sectors** are the primary sources of employment and income in Fayette County. The **service sector**, which is dominated by jobs in the professional services, such as legal and medical services, accounts for 41 percent of

Fayette County jobs. The **trade sector** is the second largest source of jobs, accounting for 19 percent.

A stabilizing characteristic of the Lexington economy is its share of employment in the **government sector** (17 percent), of which the University of Kentucky is the largest component.

The Fayette County area is the retail center for the Lexington-Fayette Metropolitan Statistical Area (MSA). Also, the convergence of two major highways makes it ideally suited for the location of wholesale trade facilities.

Local Government

Lexington and Fayette County merged into a single **urban county government** on January 1, 1974. The merger was the culmination of an effort to develop a more efficient use of resources for joint programs in planning, parks, and public safety. A bipartisan Mayor and 15-member legislative body administers the **Lexington-Fayette Urban County Government**.